



LLOYD THOMPSON
Limited

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To Mr David Forrest (Guest)
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Fax No 001-310-2783352
Date 1 May 1998
From Mark Drummond Brady
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Jules Verne

Firstly, I am pleased to confirm that Lexington have agreed to write this 100%, subject to us providing them with an acceptable panel of Reinsurers. They have written their line on the slip accordingly, subject obviously to confirmation of the acceptance date and their agreement to the Policy Wording and "Side" Agreement. I understand from Stanley that a draft of this Agreement is being prepared for presentation to Ince & Co. today.

With regard to Reinsurance, we have lined up a panel of Reinsurers, most of whom are acceptable to Lexington and we are in the process of arranging to "enhance" the Lines provided by those Companies that Lexington will not accept. This work is incomplete but going well.

With regard to the verification process, we have written to Rob Brace at Lexington in Boston and left several messages for him. I have also complained in the strongest terms about the delay to Keith Peacock here in London. He has promised to speak to Brace this afternoon and fully understands that this log jam is causing extreme frustration on yours and our part. Brace feels that he is entitled to review all relevant documentation, including Wording and Collateral Agreement prior to confirming his agreement (and in this regard he is correct) but we have pressed him to understand that the releasing of the Legal Opinion by M. M & M is a separate issue and does not, in itself, commit him to agreeing the form of words we use for the side

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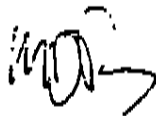
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agreement. We are urging Lexington at all levels to proceed with this process today, having needlessly lost an entire week.

We will keep you advised of progress and, of course, we will be calling Mr Brace once Boston opens today. Meanwhile, as an emergency measure, I can travel to Boston next week to see these people in person. Otherwise, I will be in New York on Tuesday of next week and Washington on Wednesday, Thursday and Friday, staying at the Washington Hilton. Jenny will have my contact details.

Kind Regards.

A handwritten signature in black ink, appearing to read 'MD', with a stylized flourish extending to the right.

Mark Drummond Brady
Lloyd Thompson Ltd